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*Counsel to the Official Committee of
Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:
	:
ELETSON HOLDINGS INC., et al.,	:
	:
	:
Debtors. ¹	:
	:
-----X	

Chapter 11
Case No. 23-10322 (JPM)

**THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' STATEMENT IN
SUPPORT OF THE PETITIONING CREDITORS' MOTION FOR
APPROVAL OF A DISCLOSURE STATEMENT**

¹ The "Debtors" in these chapter 11 cases are: Eletson Holdings Inc., Eletson Finance (US) LLC, and Agathonissos Finance LLC. The address of the Debtors' corporate headquarters is 118 Kolokotroni Street, GR 185 35 Piraeus, Greece. The Debtors' mailing address is c/o Eletson Maritime, Inc., 1 Landmark Square, Suite 424, Stamford, Connecticut 06901.

1. After the Petitioning Creditors filed their initial disclosure statement on March 26, 2024, the Official Committee of Unsecured Creditors (the “Committee”) engaged in extensive negotiations with the Petitioning Creditors concerning both the substantive terms of their proposed plan of reorganization (the “Creditors’ Plan”) and the disclosures in their proposed disclosure statement (the “Disclosure Statement”). The Committee’s goals have been to improve the economic and non-economic terms of the Creditors’ Plan and to ensure that the accompanying disclosure statement contains adequate information to enable creditors to make an informed vote.

2. As a result of these negotiations, the Petitioning Creditors agreed to make significant substantive improvements to the Creditors’ Plan. The principal improvements for the benefit of unsecured creditors include:

- increasing the equity offered to unsecured creditors electing the “Equity Option” on account of their claims from 32% to 50%;
- increasing the cash pool for general unsecured creditors electing to receive cash from \$12.5 million to \$13.5 million;
- reducing the backstop premium from 10% to 8%;
- increasing convenience class recoveries from 10% to 15%, increasing the convenience class cash pool from \$1 million to \$2.5 million, and increasing the convenience class threshold from \$200,000 to \$1 million;
- establishing the form of the board of directors for the reorganized debtors to include the addition of an independent director who will be selected by the Committee, as well as reasonable consent rights for the Committee concerning an additional director; and
- requiring additional governance protections concerning claims the Reorganized Debtors may have against the plan proponents or their affiliates.

3. The Creditors’ Plan provides creditors materially better recoveries than they would receive under the Debtors’ plan. *Compare* ECF 672 (Debtors’ plan) *with* ECF 663 (Creditors’ Plan). Accordingly, the Committee supports the Creditors’ Plan, subject to the Committee’s right

as a fiduciary to support a superior plan (whether proposed by the Debtors or otherwise) if one is presented.

4. In addition, the Committee engaged in extensive negotiations with the Petitioning Creditors concerning their disclosure statement, including providing the Petitioning Creditors a detailed list of deficiencies that the Committee believed the Petitioning Creditors needed to address.² Among other things, the Committee requested revisions to the narrative and historical disclosures. The Committee also requested that the Petitioning Creditors supply certain missing disclosures, including estimated creditor recoveries, claims pool sizes, a liquidation analysis, financial projections, and an enterprise valuation. The Committee also sought greater detail on corporate governance, retained causes of action, eligible holder requirements, and the administration of the rights offering.

5. On May 13, 2024, the Petitioning Creditors filed their amended Disclosure Statement. The amended Disclosure Statement includes all the additional disclosures the Committee requested. Accordingly, the Committee supports approval of the Petitioning Creditors' Disclosure Statement.

6. The Committee will continue to work with both the Debtors and the Petitioning Creditors to achieve the best possible results for unsecured creditors and an efficient and successful emergence of the Debtors from bankruptcy.

² The Committee provided similar lists of deficiencies to the Debtors concerning the Debtors' proposed disclosure statement.

Dated: May 14, 2024

Respectfully submitted,

/s/ Stephen D. Zide
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CERTIFICATE OF SERVICE

I hereby certify that on May 14, 2024, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send a notification of such filing to all ECF recipients in the above-captioned matter.

Dated: May 14, 2024
New York, New York

Respectfully submitted,

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